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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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ILLINOIS BELL TELEPHONE COMPANY)	
) 01-0614	
Filing to implement tariff provisions related to)	
Section 13-801 of the Public Utilities Act)	

<u>Direct Testimony of Robert W. Walker</u> on Behalf of Novacon LLC

- Q. Please state your name and describe your professional background
 and experience.
- My name is Robert W. Walker. I am the founder and president of 3 Α. Comsource, Inc., a telecommunications regulatory and technology 4 consulting firm located at 22W343 Arbor Lane, Glen Ellyn, Illinois 60137. 5 I have 41 years experience in the telecommunications industry with 33 of 6 those years spent at Illinois Bell and Ameritech, predecessors in interest 7 to a direct affiliate of SWBT. I have held a wide range of technical staff 8 and management positions within Illinois Bell and Ameritech in the 9 switching, transport and operational support systems ("OSS") areas. Prior 10 to my departure from Ameritech, I held the position of Director of 11 Transport Planning and before that Director of Transmission at Illinois 12 Bell. Before that I was director of Technical Development for Ameritech 13 14 Development Corporation. I established Comsource, Inc., in 1994.

Comsource's efforts are largely focused on assisting Competitive Local Exchange Carriers ("CLECs") entering the telecommunications business with technical and regulatory matters. Through Comsource, I have been involved with more than 85 interconnection agreements, coast-to-coast with every major U.S. incumbent telephone company, including all of the RBOCs, Sprint, GTE, CenturyTel, Alltel, and Puerto Rico Telephone.

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Please describe Novacon and the services that Novacon wishes to Q. provide.

Novacon received licenses from the Illinois Commerce Commission in A. 10 Docket 99-0672 to provide local exchange and interexchange telecommunications services within Illinois. As part of its business plan, 12 Novacon provides point-to-point direct access service to both end user 13 customers and carriers who may resell services to other customers. Novacon does not provide switched services or voice traffic to customers. 15 Therefore, it is vital to Novacon's survival as a competitive 16 telecommunications carrier to ensure access to unbundled network 17 elements ("UNEs") as dedicated point-to-point circuits just like Ameritech 18 currently provides to itself and its customers (wholesale and retail) and to CLECs under resale tariff.

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Could you please preview your testimony? Q.

A. My testimony will demonstrate how Ameritech has misconstrued its obligations under House Bill 2900 with respect to its proposed tariff that purports to comply with Section 13-801 of the new Illinois Public Utilities Act ("Act"). Ameritech's proposed tariff is narrowly tailored to include voice and switched traffic only. Ameritech's tariff attempts to limit the types of customers CLECs can provision service to and fails to allow data CLECs such as Novacon to obtain services. Ameritech's definition of "ordinarily combined" improperly limits the services that it proposes to provide to CLECs. Moreover, Ameritech limits UNE offerings for data services by mischaracterizing all dedicated services as "special access."

As written, Ameritech's proposed tariff is deficient regarding Ameritech's obligations to provide pre-existing UNE combinations and new UNE combinations, and it fails to mirror what Ameritech already provisions for itself and its customers. Finally, the tariff improperly limits UNEs and combinations that CLECs are already allowed by statute.

Q. Has House Bill 2900 altered Ameritech's obligations to provide UNEs and UNE combinations?

20 A. Yes. Although I am not an attorney, my understanding with respect to
21 UNEs and UNE combinations is that Ameritech must provide
22 nondiscriminatory access to network elements on any unbundled or

bundled basis, at any technically feasible point on just, reasonable, and nondiscriminatory rates, terms, and conditions. UNEs must be provided in a manner that allows a requesting carrier to combine those elements to provide a telecommunications service. Furthermore, the Act states that upon request Ameritech must "combine any sequence of unbundled network elements that it ordinarily combines for itself, *including but not limited to*, [UNEs identified in 220 ILCS 5/13-801(d)(3)]". Emphasis added. It is important to note that the Act provides an "open" list — Ameritech can be required to combine network elements beyond those listed in I2A.

A.

Q. Has Ameritech's proposed tariff met all of its obligations under House Bill 2900?

No. Ameritech has sought to limit the types of services it will offer under its tariff. Additionally, the proposed tariff restricts which CLEC customers can receive service. For example, Ameritech's proposed tariff language for EELs states: "The company will cross-connect Unbundled 2 or 4-wire Analog or 2-wire Digital loops to Unbundled DS1 or DS3 Dedicated Transport facilities for the telecommunications carrier's provision of circuit switched or packet switched telephone exchange service to telecommunications carrier's own end user customers." (ILL. C.C. NO. 20, Part 19, Section 22, Sheet 4) (emphasis added). The preceding

language does not allow EELs for point-to-point service. Moreover, the
proposed tariff restricts its provision to the carrier's "own end user
customers." The proposed tariff should acknowledge that a CLEC may
seek to sell services to an ISP or another telecommunications carrier.

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- Q. Please describe some of the problems that Novacon has had in
 ordering UNEs and UNE combinations from Ameritech.
- 8 A. Novacon has requested that Ameritech convert already established
 9 standard DS1 point-to-point circuits to UNE Platforms. Ameritech initially
 10 asserted that Novacon was seeking special access services and was
 11 required to pursue its request under the special access tariffs. Later,
 12 Ameritech reversed its position and stated that these circuits were not
 13 special access circuits.

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- Q. Did Ameritech then agree to provide the services ordered by Novacon?
- 17 A. No. Ameritech than came up with a new "theory" that it was not required
 18 to convert them because they were not special access and Ameritech did
 19 not yet have in place methods and procedures to convert them.

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Q. What did Ameritech indicate Novacon should do?

Ameritech stated Novacon was required to submit a BFR with its request.

Ameritech insisted that because Novacon was ordering several UNEs that can be used to convert an existing circuit, Novacon must order those UNEs as a combination. The components that Novacon should be able to get include a loop and transport. However, Ameritech insisted that it would provide the requested services as a combination and only if Novacon went through the lengthy and costly BFR process. The BFR requirement only serves to delay and add unwarranted costs to Novacon's provision of service to its customers.

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A.

In later discussions, Ameritech changed its position and decided that it would not provide Novacon with the requested service under any circumstances. To illustrate the competitive roadblocks that Ameritech has erected, Novacon received an e-mail, dated September 17, 2001, from Ameritech wherein Ameritech responded to Novacon's request for data circuits. In part, Ameritech stated: "Novacon is asking for an unbundled network element that is not provided for in our interconnection agreement", and "unbundling would be contrary to [the] 1996 Act and otherwise inappropriate." Therefore, according to Ameritech, it does "not believe a BFR would result in the provision of the necessary UNEs or circuit facilities."

Thus, any attempt by Novacon to meet Ameritech's requirements would not satisfy the utility. Without a proper tariff covering local dedicated services, Ameritech will simply deny CLECs like Novacon the benefits of the law while wasting CLEC and Commission resources.

Ameritech has also refused to provide new UNE combinations to Novacon. Novacon requested a clear channel point-to-point DS1 circuit to carry combined local customer traffic between points within the LATA. Ameritech responded that it was not required to provide Novacon's request under the 1996 Act and the parties' interconnection agreement. Although I am not a lawyer, it is my understanding that federal law clearly allows CLECs to purchase unbundled elements to provide exchange access services to itself in order to provide interexchange services to end users (codified as 47 CFR 51.309(b)). That is exactly what Novacon has attempted to do.

Q.

Α.

Has the FCC set out any rules that support Novacon's position regarding a CLEC's right to UNEs to provide dedicated circuits?

Yes. The FCC administrative rules make it perfectly clear that Ameritech cannot refuse Novacon's request for dedicated services:

An incumbent LEC shall provide a requesting telecommunications carrier access to an unbundled network element, along with all of the unbundled network element's features, functions, and capabilities, in a manner that allows the requesting

1 2 3 4 5		telecommunications carrier to provide any telecommunications service that can be offered by means of that network element. 47 CFR 51.307 (c)
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7	Q.	You stated that Ameritech's proposed tariff is deficient regarding the
8		existing UNE combinations that Ameritech proposes to offer. Please
9		explain.
10	A.	The Ameritech proposed tariff attempts to circumvent House Bill 2900 by
11		limiting UNE Combinations to those associated with circuit switched or
12		packet switched services. Ameritech carefully avoids any reference to
13		point-to-point UNE platforms and provides other impediments designed to
14		limit or restrict its competitors.
15		
16	Q.	Is Ameritech's assumption of what is "ordinarily combined"
17		accurate?
18	A.	Absolutely not. Ameritech has evidently tailored its definition of "ordinarily
19		combined" to distinguish between voice and data services. As someone
20		familiar with ILEC positions in this area, I see nothing in the 1996 Act that

"[a]n incumbent LEC shall not impose limitations, restrictions, or

allows such a distinction. The conclusion that the Act does not permit

usage restrictions is found in 47 C.F.R. §51.309(a), which provides that

requirements on request for, or the use of, unbundled network elements

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that would impair the ability of a requesting telecommunications carrier to
offer a telecommunications service in the manner the requesting
telecommunications carrier intends." (Third Report and Order at ¶484).
Thus, Ameritech's attempt to create a distinction where none exists is
purely Ameritech's construction.

Q. What are the specific problems with Ameritech's definition of "ordinarily combined"?

As an initial matter, the definition of "ordinarily combined" is very important to this proceeding because Ameritech will only provide the UNE-P and EELs that it "ordinarily provides" to its end users. As I just discussed, as Ameritech interprets its definition, Ameritech believes it would be under no obligation to provide data circuits to CLECs. Ameritech provided its definition of "ordinarily combined" as an answer to Staff data request CLG 1.03(A).

For Sections 15 (UNE-P) and 20 (EELs) of its proposed tariff Ameritech states: "... for purposes of developing proposed Sections 15 and 20, the term "ordinarily combined" was construed to refer to those combinations of UNEs which are used to provide <u>voice grade</u> service <u>on a widespread</u> (i.e., mass market basis) ... " (Ameritech answer to Staff data request CLG 1.03(A))(emphasis added).

If the answer to Staffs' data request CLG 1.03 (A) (See Attachment A) is indicative of Ameritech's position in this case, then Ameritech has clearly gone beyond what is appropriate. First, the term "voice grade" is a limitation nowhere reflected in Illinois or Federal law. Ameritech cannot limit its provision of UNE-P and EELs to strictly voice grade services, but must include data traffic as well. Second, it is unclear what Ameritech means by "widespread (i.e., mass market basis)". These terms appear to be creations of Ameritech's imagination, again not found in or based on Commission policy. In any event, it is also inappropriate for Ameritech to attempt to restrict its provision of services based on what it perceives as some form of market condition.

Q. Does Ameritech routinely provided data circuits?

A. Yes. Data circuits can be ordered under retail tariff. In fact, in

Ameritech's answers to ICC staff data requests the Company indicates
that it does provide EELs in substantially the same way as it provides
point-to-point circuits on a UNE basis. See Attachment B (AIT attachment to response to Staff DR CLG 1.04(A)).

In my 41 years of experience I have observed how Ameritech provisions dedicated services and I know that Ameritech has routinely combined

various types of data circuits in literally thousands of cases. Because these data circuits are ordinarily combined by Ameritech, the tariff should reflect that Ameritech provisions data services as well as packet and switched services.

- Q. What is the implication of the term "circuit switched or packet
 switched" in Ameritech's EELs tariff?
- A. Ameritech's language implies that such circuits are provided only for
 circuit switched voice and packet switch applications. The language in the
 Ameritech proposed tariff makes no provision for standard point-to-point
 DS1 circuits. It appears that Ameritech's view is that if a switch isn't
 employed in the provision of a local service then such service is special
 access.

- Q. Is there any difference between special access configurations and the dedicated configuration that Novacon is implementing?
- In its response to Novacon Data Request 1(A), Ameritech stated that

 "point-to-point data circuits and special access circuits are functionally

 identical in that the same types of facilities are used." Ameritech is only

 partially correct. While both types of circuits are technically similar

 because they are generally not switched, they are used for different

 purposes. Special access and dedicated circuits are defined differently by

Ameritech's own tariff's and used differently in the market place. Ameritech is creating confusion regarding the term "special access." Point-to-point data circuits and special access circuits are "functionally identical" only insofar as they are lines that connect two points without a switch. A point-to-point data circuit may be used for local service to merely cross the street. By comparison, the functionality of a special access circuit is quite different, where it is used to provide interLATA service.

Q. Does Ameritech have a separate tariff for special access?

11 A. Yes. That tariff is ILL. C.C. NO. 21, Part 7. In that tariff, Ameritech
12 defines access services as follows:

Special Access Service provides a transmission path to connect customer designated premises or a customer designated premises and a WATS serving office, either directly or through a Telephone Company Hub where bridging or multiplexing functions are performed or to connect a customer designated premises and a telephone Company Hub where cross-connection functions are performed. Special Access Service includes all exchange access not utilizing Telephone Company end office switches.

As can be seen, special access service is used to connect customers directly to a WATS serving office.

Q. Should a point-to-point data circuit be ordered under Ameritech's

Access Services tariff?

A. No. That type of service does not fit Ameritech's definition of access service because it is not intended to connect customers to a WATS serving office. A customer of Ameritech would purchase point-to-point services (which could be used for data or voice) under ICC Tariff 19, Part 15. A reseller could purchase point-to-point services under ICC Tariff 20, Part 22. In fact, Novacon initially purchased point-to-point services for its customers under tariff 19 and has recently purchased resale services from Ameritech under tariff 20. Thus, Novacon is not replacing special access tariffs with UNEs. Instead, it is replacing resale point-to-point services with UNEs.

Α.

Q. Why is it important to understand what type of tariffed service is being replaced by UNEs?

The FCC discussed special access within the context of "tariffed special access services" providing access to the long distance network, similar to Ameritech's Tariff 19, Part 7. The FCC concerns regarding special access had to do with ILECs' revenue recovery from private line and PBX carriers who circumvented the conventional long distance network and obtained interstate connections though the use of the ILEC's local exchange. The term special access references the FCC concern over universal service

revenues, an issue not impacted by intraLATA or local provision of dedicated traffic.

Q. Earlier you said that Novacon provides point-to-point direct access service. Is that type of service that concerned the FCC?

A. No. Point-to-point direct access incorporates a dedicated facility that runs
between the end-user and Novacon's point of presence on the ILEC's
network. Just because a switch is not used, Ameritech should not be
allowed to force feed point-to-point access service into the definition of
special access. There is no circumvention of access charges in this
situation. Novacon is simply providing dedicated non-switched service to
its end users.

Q. If point-to-point access service is classified as special access, what are the consequences under Ameritech's proposed tariff?

A. If point-to-point direct access is characterized as special access,

Ameritech will not be required to provide CLECs with the local services
they need to compete. In short, Novacon is competing against Ameritech
for customers and Ameritech is using its local monopoly bottleneck control
to deny Novacon access to UNEs in a manner that impairs its ability to
compete.

1	Q.	what does Ameritech's proposed tariπ say regarding services for a
2		carrier's end user customers?
3	A.	The tariff assumes that there is only one end user - the CLEC's customer.
4		This is incorrect. A CLEC may seek to sell services to an ISP or another
5		telecommunications carrier. Therefore the tariff should reflect the
6		possibility of the resale of third party facilities as well as provisioning
7		services directly to CLEC customers.
8		
9	Q.	How would you suggest changing the tariff language?
10	A.	A neutral proposal for Tariff 20, Part 19, Section 20 to ensure data circuits
11		for any type of customer follows:
12 13 14 15 16		Ameritech Illinois will cross-connect unbundled 2 or 4-wire analog or 2 or 4-wire digital loops to unbundled DS1, or DS3 dedicated transport facilities for the telecommunications carrier's provision of exchange service.
17		Thus, there would be no mention of different types of service (i.e.,
18		switched or dedicated), or customer restrictions.
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20	Q.	Are there other sections of Ameritech's tariff that need to be
21		corrected?
22	A.	Yes. In the introduction discussion of services, ILL. C.C. No. 20, Part 19,
23		Section 1 (revised sheet 2.1) the tariff lists various services, one of which
24		is dark fiber. However, in the list of activities, such as cross connects

no reference to the type of activities that would be necessary for	
The reference to the type of detailines that would be necessary for	
unbundled dark fiber loops as there is for other types of loops. Thus	i, Part
23, Section 4, (2nd Revised Sheet No. 9.2), excludes the required c	ross-
connections for Dark Fiber Loops and Dark Fiber Transport. I propo	se
that the following language be included in the final tariff:	
7	
A. Dedicated Interoffice Dark Fiber transport under the provisions of ILL. C.C. No. 20, Part 23, Section 4.B.	
B. Dark Fiber Loops under the provisions of ILL. C.C. No. 20, Part 23 Section 4.	
14 Q. Does this conclude your testimony?	
15 A. Yes.	

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Page 1 of 2

Request:

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In reference to Ameritech UNE provisioning, please provide the following definitions:

(A) Ameritech Illinois' definition of the term "ordinarily combined".

Response:

(A) In answering each subpart of this data request CLG 1.03, Ameritech assumes that the request is referring to terms as they appear in the proposed amendments to Ill.C.C. Part 19, Section 15 (Pre-existing and Ordinarily Combined UNE-P) and Section 20 (Extended Enhanced Links ("EELS"), as reflected in the redlined version of those sections distributed to Staff and parties on October 5, 2001.

As used in Section 15, the term "Ordinarily Combined" combination of network elements refers the situation in which a telecommunications carrier requests the Company to provide a combination of network elements of the same type (i.e., unbundled loop and unbundled local switching port with shared transport) that the Company ordinarily combines for its end users, as delineated in that Section. The Ordinarily Combined combination of unbundled network elements, as defined in Section 15, is not currently combined, as that term is defined in Section 15. See 2nd Revised Sheet No. 2 of Section 15.

As used in Section 20, the term "Ordinarily Combined" refers to the situation in which a telecommunications carrier requests the Company to combine the types of unbundled loop and unbundled dedicated transport delineated in that Section. The Ordinarily Combined combination of unbundled network elements, as described in Section 20, is not currently combined as a pre-existing combination.

As will be discussed more fully in the testimony being prepared for submittal on October 25, 2001 in a accordance with the procedural schedule, for purposes of developing proposed Sections 15 and 20, the term "ordinarily combined" was construed to refer to those combinations of UNEs which are used to provide voice grade service on a widespread (i.e., mass market basis) without the need to for special design or customization work. It generally does not

Novacon Attachment A

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include special services, which typically involve customized work. The Company believes that the combinations specifically identified in its proposed tariff includes all of the UNE combinations that are ordinarily combined, although the tariff also provides that if a CLEC believes that there is a "ordinarily combined" combination that is missing from the list, the CLEC make a request for such combination through a BFR process.

Person Primarily Responsible:

Scott J. Alexander

Director - Wholesale Marketing

(847) 248-5370

Enhanced Extended Loop (EEL)

Situation

CLEC requests the Company to perform the work to combine the following unbundled Loop and unbundled Dedicated Transport (Interoffice Facility) combination known as Enhanced Extended Loop or EEL.

7. 4-Wire Digital Loop to DS1 Dedicated Transport

Pricing Example

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Acc	umptions	
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- ➤ Unbundled 4-Wire Digital Basic Loop in Area A, B or C
- ➤ Unbundled Dedicated Transport (DS1) in Zone 1, 2 or 3
- > 5 Miles of Interoffice Mileage
- > No Multiplexing Required

Re	curring Area:	<u>A</u>	<u>B</u>	<u>C</u>
>	Unbundled 4-Wire Digital Basic Loop /1/	\$73.46	\$61.45	\$61.56
	Service Coordination Fee /2/		•	
	per carrier bill, per central office	\$1.15	\$1.15	\$1.15
	Unbundled DS1 Transport /3/ Zone:	<u>1</u>	<u>2</u>	<u>3</u>
\triangleright	Entrance Facility per point of Termination	\$73.46	\$61.45	\$61.56
	➤ Interoffice Mileage Termination			
	Per point of Termination, (2) @ 17.35	\$34.70	\$34.70	\$34.70
	> Interoffice Mileage (5) @ 1.88	\$ 9.40	\$ 9.40	\$ 9.40
>	Cross-Connect (1) /4/	\$.43	\$.43	\$.43
	Total:	\$192.60	\$168.58	\$168.80

Non-Recurring

Trunks /5/	Tn	ınks	/5/	
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>	Administration Charge, per order	\$406.61
➤	Design and Central Office Connection Charge, per circuit	\$632 <i>.7</i> 1
	Carrier Connection Charge, per termination	\$585.51
Lo	ops /2/	
\triangleright	Service Order Charge, per order	\$ 8.86
	Line Connection Charge, per termination	\$ 25.08

Tariff Reference:

- 1 III. C.C. No. 20, Part 19, Section 2, 2nd Revised Sheet No. 31
- 2 III. C.C. No. 20, Part 19, Section 2, 2nd Revised Sheet No. 33
- 3 Ill. C.C. No. 20, Part 19, Section 12, Original Sheet No. 30
- 4 III. C.C. No. 20, Part 23, Section 4, 1st Revised Sheet No. 46
- 5 Ill. C.C. No. 20, Part 19, Section 12, Original Sheet No. 40

Novacon Attachment B

Enhanced Extended Loop (EEL)

Situation

CLEC requests the Company to perform the work to combine the following unbundled Loop and unbundled Dedicated Transport (Interoffice Facility) combination known as Enhanced Extended Loop or EEL.

7. 4-Wire Digital Loop to DS1 Dedicated Transport

Pricing Example

Assumptions

- Unbundled 4-Wire Digital Basic Loop in Area A, B or C
- ➤ Unbundled Dedicated Transport (DS1) in Zone 1, 2 or 3
- > 5 Miles of Interoffice Mileage
- > No Multiplexing Required

Re	curring Area:	<u>A</u>	<u>B</u>	<u>C</u>
	Unbundled 4-Wire Digital Basic Loop /1/	\$73.46	\$61.45	\$61.56
\triangleright	Service Coordination Fee /2/			
	per carrier bill, per central office	\$1.15	\$1.15	\$1.15
×	Unbundled DS1 Transport /3/ Zone:	<u>1</u>	<u>2</u>	<u>3</u>
\triangleright	Entrance Facility per point of Termination	\$73.46	\$61.45	\$61.56
	➤ Interoffice Mileage Termination			
	Per point of Termination, (2) @ 17.35	\$34.70	\$34.70	\$34.70
	> Interoffice Mileage (5) @ 1.88	\$ 9.40	\$ 9.40	\$ 9.40
\triangleright	Cross-Connect (1) /4/	\$.43	\$.43	\$.43
	Total:	\$192.60	\$168.58	\$168.80

Non-Recurring

Trunks /5/

>	Administration Charge, per order	\$406.61
	Design and Central Office Connection Charge, per circuit	\$632.71
➣	Carrier Connection Charge, per termination	\$585.51
Lo	ops /2/	
➣	Service Order Charge, per order	\$ 8.86
	Line Connection Charge, per termination	\$ 25.08

Tariff Reference:

- 1 Ill. C.C. No. 20, Part 19, Section 2, 2nd Revised Sheet No. 31
- 2 III. C.C. No. 20, Part 19, Section 2, 2nd Revised Sheet No. 33
- 3 Ill. C.C. No. 20, Part 19, Section 12, Original Sheet No. 30
- 4 Ill. C.C. No. 20, Part 23, Section 4, 1st Revised Sheet No. 46
- 5 Ill. C.C. No. 20, Part 19, Section 12, Original Sheet No. 40